

**EXPORT-IMPORT BANK OF THE UNITED STATES**  
**Minutes of the October 10, 2007 Meeting**  
**Ex-Im Bank Sub-Saharan Africa Advisory Committee**

A meeting of the Sub-Saharan Africa Advisory Committee (SAAC) to the United States (Ex-Im Bank) was held 2:00 pm on Wednesday, October 10, 2007 in the Main Conference Room of the Export-Import Bank building located at 811 Vermont Avenue, N.W., Washington, DC. The following members of the Sub-Saharan Africa Advisory Committee were present: Patrick Baumann, Mark Chiaviello, Dennis Dubois, Willene Johnson, Chair, and Gerald Zadikoff. Members of the Ex-Im Bank's Board of Directors were present: James H. Lambright, President and Chairman, Linda Conlin, Vice Chair, Joe Grandmaison, Diane Farrell and Bijan Kian, Members, Board of Directors and John McAdams, SVP, Export Finance and Jim Cruse, SVP, Policy and Planning.

**I. Welcome**

Willene Johnson, Chair, welcomed everyone to the last meeting of the year for the sub-Saharan Africa Advisory Committee meeting. She noted that the agenda will assist in fulfilling the responsibilities in terms of making recommendations to Congress and the Bank on how to increase exports to Africa. The meeting began with a panel discussion on China's Development Strategy.

**II. Panel discussion: China's Development Strategy**

Panelists included moderator James H. Lambright, Ex-Im Bank chairman and president; Witney W. Schneidman, president, Schneidman & Associates International, and director, Africa-China-U.S. Trilateral Dialogue Study; Daeman Harris, vice president, Middle East and Africa, U.S. Chamber of Commerce; and Anthony Carroll, vice president, Manchester Trade, Ltd. Also participating in the discussion were members of Ex-Im Bank's SAAC, U.S. exporters, and African public and private sector representatives.

China's growing commercial presence in Africa, and low participation by U.S. companies in the region, present critical challenges to U.S. commercial interests, agreed panelists.

But the panelists also said that U.S.-China-Africa cooperation, to build a framework ensuring Africa uses its resources for economic development, would benefit all trade participants in the region. They asserted that marketing efforts to teach American companies the benefits of doing business in Africa, and steps to enhance the competitiveness of Ex-Im Bank financing, also would help U.S. interests.

"It is important that the United States, China and Africa understand each other so that we may work together to ensure that our trade activities benefit exporters, African buyers and our national interests," Lambright said.

He noted that China-Africa trade is growing much faster than U.S.-Africa trade. In 2006, China-Africa trade totaled \$56 billion while U.S.-Africa trade totaled \$100 billion, of which \$80 billion were African sales to the U.S. In five years, total trade between China and Africa is expected to reach \$100 billion.

Schneidman said the Africa-China-U.S. Trilateral Dialogue, in the course of three meetings over the past year-and-a-half, concluded there is no strategic conflict between the U.S. and China: “The fact that the U.S. and China are business competitors is not a negative. It can result in new technologies and skills being brought to Africa, and jobs created there. Africa can benefit from trade with all countries, especially the U.S. and China, to generate revenues to contribute to economic development and stronger institutions.”

Schneidman said his organization is working on mechanisms to foster cooperation between the U.S., China and Africa. This could include a permanent trilateral body to address trade, financing and other issues; stakeholder working groups to train Africans and introduce new technologies; and forums to address development, peace and security issues. “Global interest in Africa has never been higher, and Africa needs to seize this attention for its long-term benefit,” Schneidman said.

The Chamber’s Harris noted China’s aggressive export promotion in Africa, often linking the purchase of Chinese goods and services to the building of roads and other infrastructure. He called for greater engagement by U.S. companies in Africa, and warned of some negative aspects of Chinese exports, including counterfeit products and theft of intellectual property.

Carroll of Manchester Trade, Ltd., saw China’s 20-30-year financing terms and other aggressive marketing strategies as a “real threat” to U.S. commercial interests. But he added, “Here’s the good news: Africa’s rapid growth offers new opportunities; the U.S. enjoys technology dominance in areas including aviation, transportation and environmental exports; and we can look for new ways to collaborate with China on our respective strengths.”

Carroll called on the U.S. and Africa to hold China accountable for leveling the playing field by observing World Trade Organization (WTO) rules, and “maybe also the OECD (Organization for Economic Cooperation and Development) rules.”

Ex-Im Bank Vice Chair Linda Conlin also stressed the urgency of “doubling our efforts to get more U.S. companies to Africa.”

### **III. Status Report on the 2006 SAAC Recommendations**

Each of the committee members received the update for the final quarter of fiscal year 2007 as it relates to the recommendations for 2006. Rita Murrell from the Trade Finance Division has taken the leadership in quarterbacking the report within the Bank allowing for as much information as possible.

Chair Johnson asked if there were any questions that relate to the recommendations for 2006. Gerald Zadikoff commented that he thought it was quite thorough.

#### **IV. Discussion on the 2007 SAAC recommendations**

Director Grandmaison explained that for the first time the sub-Saharan Advisory Committee had a letter in the Annual Competitiveness Report issued at the end of June. The letter basically laid out what the committee believed to be the broad issues challenging the further expansion of the U.S. commercial interest in Africa. He suggested SAAC tailor that letter for the Annual Report to Congress. Members were asked to provide any additional thoughts or suggestions.

#### **V. Competitiveness Working Group Update**

Jim Cruse, Ex-Im Bank senior vice president, Office of Policy and Planning, said efforts are underway to improve Ex-Im Bank's financing competitiveness due, in part, to SAAC proposals that were included in Ex-Im Bank's 2006 Competitiveness Report to the U.S. Congress.

For example, Cruse noted that many ECAs are coming to share the SAAC's concern with the inability to charge fees for solid corporate borrowers that are lower than sovereign (government) fees.

#### **VI. Upcoming IBD events**

John Richter stated that the Business Development activities follow three mandates: the congressional mandate from Congress, directions from the sub-Saharan Africa Committee and the Bank's management and Director Grandmaison. Based on the activities that were in the report on recommendations, the Bank's hope is to continue in that direction in 2008. He mentioned that the role of Business Development for Africa recently changed and the Africa team was incorporated in a new division, Special Initiatives Division under the direction of Vice President, Ray Ellis.

Future activities of the Africa Team include Regional Bank Relationship Development. The Bank has once again reached out to the Africa Development Bank and will be meeting with them next week. Afrexim Bank attended the recent training held by the Bank and will attend the CCA Summit in Cape Town. International Business Development Officers recently met with Cameroon and Chad delegations and planned a November outreach in West and East Africa. Next quarter, Ex-Im Bank expects to participate in domestic outreach by providing Ex-Im 101 training in Baltimore, Chicago and New York City along with DOC and State Dept.

Also as a final note, John Richter thanked the sub-Saharan Africa Committee for a job well done and the Ex-Im Internal Africa Group with all their efforts.

#### **VII. Recognition of Service – SAAC members**

President and Chairman Lambright and Director Grandmaison recognized the SAAC members with certificates and John Richter presented gifts for their service and thanked them for a job well done. Eight out of ten members will be leaving the committee.

#### **VIII. Public Comments**

Mark Chiaviello commented on the domestic outreach and noted he gave a presentation at CCA. He was flabbergasted on how little is known about Africa and feels more information needs to be provided and encouraged the Bank to do more domestic outreach to get the story beyond the beltway.

#### **IX. Meeting was adjourned by Willene Johnson.**